

The scenario continues. Deborah is a single taxpayer with taxable income of \$46,250. She reports her capital gains of \$798 from XYZ Investments directly on line 13 of Form 1040. Complete lines 4 through 12. (Lines 1, 2 and 3 have been completed for you.)

Without closing the PDF window, return to the lesson screen and click Check My Answer.

Qualified Dividends and Capital Gain Tax Worksheet—Line 44

Keep for Your Records



Before you begin: ✓ See the instructions for line 44 on page 33 to see if you can use this worksheet to figure your tax.
 ✓ If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

1. Enter the amount from Form 1040, line 43 **1.** _____
2. Enter the amount from Form 1040, line 9b **2.** _____
3. Are you filing Schedule D?
 - ☐ **Yes.** Enter the **smaller** of line 15 or 16 of Schedule D, but do not enter less than -0- } **3.** _____
 - ☐ **No.** Enter the amount from Form 1040, line 13 } **3.** _____
4. Add lines 2 and 3 **4.** _____
5. If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise, enter -0- **5.** _____
6. Subtract line 5 from line 4. If zero or less, enter -0- **6.** _____
7. Subtract line 6 from line 1. If zero or less, enter -0- **7.** _____
8. Enter the **smaller** of:
 - The amount on line 1, or
 - \$29,700 if single or married filing separately,
 - \$59,400 if married filing jointly or qualifying widow(er),
 - \$39,800 if head of household. } **8.** _____
9. Is the amount on line 7 equal to or more than the amount on line 8?
 - ☐ **Yes.** Skip lines 9 through 11; go to line 12 and check the "No" box.
 - ☐ **No.** Enter the amount from line 7 **9.** _____
10. Subtract line 9 from line 8 **10.** _____
11. Multiply line 10 by 5% (.05) **11.** _____
12. Are the amounts on lines 6 and 10 the same?
 - ☐ **Yes.** Skip lines 12 through 15; go to line 16.
 - ☐ **No.** Enter the **smaller** of line 1 or line 6 **12.** _____